

Identification of the area

Name or Designation: **Area 40:** Central District; Rainier Valley; South First Hill (Madrona and Leschi), Beacon Hill; Mount Baker.

Boundaries: Area 40 boundaries are East Spruce Street to the North; Lake Washington to the East; South Graham Street to the South; Interstate 5 to the West.

Maps: A general map of the area is included in this report. More detailed Assessor's maps are located on the 7th floor of the King County Administration Building.

Area Description:

The northern portion of area 40 contains neighborhood 10 (Central District, Little Saigon), neighborhood 20 (Central District) and neighborhood 30 (Leschi, Judkins Park).

The Urban Village developments are within the location of 23rd and Jackson, 23rd and Union, and along the major arterial streets of 12th Avenue, 14th Avenue, Boren, Yesler Way, South Jackson Street, Rainier Avenue South, Martin Luther King Junior Way South, and South Dearborn Street. This area is heavily urbanized consisting of retail stores, small offices, churches, daycare, small private schools, franchise fast-food restaurants, multi-family apartments and condominiums. It is progressively transforming from an older declining area to a rehabilitated area, steadily changing in moderate pace, as incoming finance becomes more readily available to property owners.

The Central District has strong neighborhood based action groups and in cooperation with the City of Seattle they are in the process of revitalizing the community. Community development corporations are implementing development in accordance with their plans by private market activity in both housing and commercial sectors. The challenges ahead will include the ability to successfully implement urban village type development, job creation, and housing to capture a greater market share of resident's retail consumer spending. Revitalization and redevelopment strategies have been aiding in the reorganization of investment in community assets to increase local business development, employment opportunities and livability within the community.

Lowe Enterprises Northwest purchased the former Wonder Bread Bakery site in the Central District on south Jackson Street between 17th and 29th Avenue South. Lowe's proposed project will include apartments, condos, and office space with ground floor retail space. The Pratt Fine Arts Center purchased a full block from Lowe's where it will build a new art center more than twice its current size.

Their plan is to build the Northwest's largest center for working studio artists funded by a \$2.1 million challenge grant from the Jon and Mary Shirley Foundation.

The southern portion of area 40 contains neighborhoods 40 (Beacon Hill, Rainier Valley), 50 (Beacon Hill, Mount Baker, Rainier Valley), 60 (Columbia City, Rainier Valley) and 70 (Rainier Beach).

Major business arterials in this area are Rainier Avenue South, North Beacon Avenue and Martin Luther King Junior Way. The commercial buildings located along Rainier Avenue South and Martin Luther King Junior Way primarily consist of retail, small offices, daycare, restaurants, franchise fast food, multi-family and apartments. The majority of Industrial zoned land is in the southwestern section near the southern city limits between Interstate 5 and Martin Luther King Junior Way. The Jefferson Park Golf Course is located west of Martin Luther King Junior Way. Lake Washington Boulevard is predominately residential with the recreational areas of Colman Park, Seward Park and Mount Baker Park located on the Lake Washington shores. The Puget Sound Veterans Administration Hospital is located off of Beacon Avenue South.

Commercial and industrial activities are predominately in the Valley neighborhoods including Rainier Avenue, Genesee Street, Martin Luther King Junior Way, Graham Street and Columbia City. All have undeveloped or underdeveloped land and offer potential for development. This area is slowly and progressively revitalizing its neighborhoods from a long period of decline to rebuilding and redevelopment. Siting for the new 10,000 square foot King County Branch Library on Beacon Hill and expansion of the Rainier Beach Branch Library is in process.

Mapes Creek Walkway in Rainier Beach was developed as a result of local community involvement. The walkway connects various residential neighborhoods to shopping and other community facilities. Development of a public plaza at Henderson Street and Rainier Avenue is also in process. In north Rainier Valley the Department of Parks and Recreation will design and development a pedestrian pathway along the shoulder of Cheasty Boulevard.

The Seward Park Estates Apartments located in Rainier Beach will be renovated. Public and private funding of more than 2.2 million dollars will transform it into affordable housing. A fitness center, daycare and 24-hour security is planned.

A proposed town center in Rainier Beach “Beach Square” is in process. It is expected to revitalize the commercial core of Rainier Beach. This town center will include a new King County Metro layover facility.

Sound Transit has been given preliminary approval to secure nearly 400-property interest in the Rainier Valley for construction of the light rail, due for completion in early 2009. Construction impacts will be felt the most in Rainier Valley. A twin bore tunnel will be excavated under Beacon Hill. This tunnel will connect downtown to Rainier Valley.

Five light rail stations are planned for Rainier Valley. These stations will be built along Martin Luther King Junior Way. A station at Edmonds Street will be next to the Seattle

Housing Authority, Rainier Vista Housing complex providing opportunities to enhance the commercial and pedestrian-friendly character of the Columbia City neighborhood.

The station at Henderson will accommodate the pedestrian walkway to Rainier Beach and will encourage additional market rate multi-family housing. The McAllen station will offer an opportunity to create a mixed-use neighborhood center and increase the retail and multi-family housing supply. Planners focused on condensing activity within walking distance of major transit stops, thus reducing vehicle traffic. Apartments mixed with single-family housing, restaurants, dry cleaners, grocery stores and bank branches will be within a few blocks of each other. Such high-density living also provides a built-in transit rider ship base. A moratorium is in effect to prevent auto-oriented uses new or expanded from taking place for the next year until station area planning is done.

City of Seattle Department of Design Construction and Land Use is in the planning stages of changing Single Family 5000 (SF 5000) zoning at strategic locations on North Beacon Hill within the retail core to Neighborhood Commercial/Residential 40 (NC2/R40) zoning. This is to encourage additional mixed-use commercial and residential development within the retail core.

Parcel Data Area 40:

Total approximate acres excluding specialty parcels: 900

Total approximate acres including specialty parcels: 1,376

Total parcel count excluding specialty parcels: 1,475

Total parcel count including specialty parcels: 1,956

Physical Inspection Identification:

The neighborhoods that were physically inspected for 2003 assessment year were areas 40-30 (Leschi, Judkins Park), 40-70 (Rainier Beach).

Scope of Data

Land Value Data:

There were 9 vacant land sales considered in Area 40 with sales dates from 1/2000 to 10/2002. Only three were 2002 sales. Sales information is obtained from excise tax affidavits and reviewed initially by the Accounting Division Sale Identification Section. Sales information is analyzed and investigated by the appraiser to determine if they are market transactions. These sales were given primary consideration for valuing land as of 1/1/2003 for taxes payable in 2004.

Sales Analysis by Neighborhood

Area 40-10: Central District, Little Saigon

Sub Area 10 boundaries are Spruce to the North, 23rd Avenue South to the east, Interstate 90 to the South and Interstate 5 to the West. Three land sales in this area were analyzed and considered market sales. Two sales occurred before the previous lien date of 1/1/2002. Both are zoned L-3 multi-family ranging from \$24.88 a square foot (11-01 sale date) to \$32.47 a square foot (5-01 sale date). One sale occurred in 2002. This sale zoned C-165 sold for \$25.07 a square foot (10-02 sale date). These sales support current assessed value. Land values in this neighborhood remain relatively unchanged except for some adjustments to improve equalization. The table below represents 2002, 2003 estimated land values and price per square foot of market sales in each zone.

AREA NEIGHBORHOOD	ZONING	2002 \$ PER SF VALUE	2003 \$ PER SF VALUE	SALES \$ PER SF
40-10	C-140	\$25-30	\$25-30	
40-10	C-165	\$15-60	\$15-60	\$25.07
40-10	C-240	\$20	\$20	
40-10	C-265	\$25-45	\$25-45	
40-10	IC-65	\$18-55	\$18-55	
40-10	IDM-75/85	\$30-80	\$30-80	
40-10	IDM-100/120	\$80-90	\$80-90	
40-10	IDR-150	\$40-80	\$40-80	
40-10	L-1	\$5-50	\$5-50	
40-10	L-2	\$5-25	\$5-25	
40-10	L-3	\$17-30	\$17-30	\$24.88 - \$32.47
40-10	L-4	\$25-30	\$25-30	
40-10	LDT	\$8-15	\$8-15	
40-10	MR	\$20-40	\$20-40	
40-10	NC-130	\$15-20	\$15-20	
40-10	NC-140	\$20-50	\$20-50	
40-10	NC-240	\$15-25	\$15-25	
40-10	NC-340	\$20-30	\$20-30	
40-10	NC-365	\$20-65	\$20-65	
40-10	SF-5000	\$15	\$15	

Area 40-20: Central District

Sub area 20 boundaries are Spruce Street to the north, 31st Avenue to the South to the East, Interstate 90 to the south and 23rd Avenue to the west. One land sale in this area was analyzed and considered a market sale, which occurred before the previous lien date of 1/1/2002. It is zoned L-2 multi-family ranging from \$14.89 a square foot. This sale supports the current assessed value. Land values in this neighborhood remain relatively unchanged except for some adjustments to improve equalization. The table below represents 2002, 2003 estimated land values and price per square foot of market sales in each zone.

AREA NEIGHBORHOOD	ZONING	2002 \$ PER SF VALUE	2003 \$ PER SF VALUE	SALES \$ PER SF
40-20	C-140	\$10-30	\$10-30	
40-20	C-165	\$10-30	\$10-30	
40-20	C-240	\$15	\$15	
40-20	C-265	\$10-25	\$10-25	
40-20	L-1	\$10-15	\$10-15	
40-20	L-2	\$5-20	\$5-20	\$14.89-\$19.79
40-20	L-3	\$10-35	\$10-35	
40-20	LDT	\$5-25	\$5-25	
40-20	NC-130 / NC-140	\$15-20	\$15-20	
40-20	NC-2/R30	\$10	\$10	
40-20	NC-2/R40	\$10-15	\$10-15	
40-20	NC-230	\$5-10	\$5-10	
40-20	NC-240	\$20-30	\$20-30	
40-20	NC-365	\$15-25	\$5-25	
40-20	SF-5000	\$10-15	\$10-15	

Areas 40-30: Leschi, Judkins Park

Sub Area 30 boundaries are Spruce Street to the North, Lake Washington to the to the East, Interstate 90 to the South and 31st Avenue South to the West. There was insufficient market evidence to indicate a change in the land values in Area 40-30. Land values in this neighborhood remain relatively unchanged except for some adjustments to improve equalization. The table below represents 2002, 2003 estimated land values and price per square foot of market sales in each zone.

AREA NEIGHBORHOOD	ZONING	2002 \$ PER SF VALUE	2003 \$ PER SF VALUE	SALES \$ PER SF
40-30	M10-105-L-3	\$5	\$5	
40-30	NC-130	\$20	\$20	
40-30	NC-140	\$15-20	\$15-20	
40-30	L-1	\$10-25	\$10-25	
40-30	L-2	\$10-15	\$10-15	
40-30	L-3	\$5-20	\$5-20	
40-30	SF-5000	\$10-16	\$10-16	

Area 40-40: Beacon Hill

Sub Area 40 boundaries are Interstate 90 to the North, Valentine Place South & 20th Avenue South to the East, Graham Street to the South and Interstate 5 to the West. There was insufficient market evidence to indicate a change in the land values in Area 40-40. Land values in this neighborhood remain relatively unchanged except for some adjustments to improve equalization. The table below represents 2002, 2003 estimated land values and price per square foot of market sales in each zone.

AREA NEIGHBORHOOD	ZONING	2002 \$ PER SF VALUE	2003 \$ PER SF VALUE	SALES \$ PER SF
40-40	C-140	\$8-15	\$8-10	
40-40	C-165	\$8-10	\$8-10	
40-40	C-265	\$10-20	\$10-20	
40-40	MR	\$5	\$5	
40-40	NC-130	\$10-25	\$10-25	
40-40	NC2-R40	\$10-35	\$10-35	
40-40	NC-340	\$20	\$20	
40-40	L-1	\$5-15	\$5-15	
40-40	L-2	\$7-25	\$7-25	
40-40	L-3	\$8-30	\$8-30	
40-40	L-4RC	\$17	\$17	
40-40	SF 5000	\$5-15	\$5-15	

Areas 40-50: Mount Baker, Beacon Hill

Sub area 50 boundaries are Interstate 90 to the North, Lake Washington to the East, South Hanford Street & South Winthrop Street to the South, Valentine Place South and 20th Avenue South to the West. One land sale was analyzed and considered a market sale. This sale occurred before previous lien date of 1/1/2002. This sale is zoned C-165 and sold for \$23.30 a square foot (1-00 sale date). This sale supports current assessed value. Land values in this neighborhood remain relatively unchanged except for some adjustments to improve equalization. The table below represents 2002, 2003 estimated land values and price per square foot of market sales in each zone.

AREA NEIGHBORHOOD	ZONING	2002 \$ PER SF VALUE	2003 \$ PER SF VALUE	SALES \$ PER SF
40-50	C-140	\$10-30	\$10-30	
40-50	C-165	\$10-30	\$10-30	\$23.40
40-50	C-265	\$10-25	\$10-25	
40-50	LTD	\$10-25	\$10-25	
40-50	NC-130	\$30-80	\$30-80	
40-50	NC-140	\$80-90	\$80-90	
40-50	NC-365	\$40-80	\$40-80	
40-50	L-1	\$7-10	\$7-10	
40-50	L-2	\$10-17	\$10-17	
40-50	L-3	\$17	\$17	
40-50	L-4	\$15-25	\$15-25	
40-50	SF-5000/7200	\$4-43	\$4-43	

Area 40-60: Rainier Valley, Columbia City

Sub area 60 boundaries are South Winthrop Street, South Hanford Street and South Charleston Street to the North, 43rd Avenue South, 47th Avenue South, and 48th Avenue South to the East, South Graham Street to the South, Cheasty Boulevard, and Beacon Avenue South to the West. Four sales were analyzed and considered market sales. Three sales occurred before the previous lien date of 1/1/2002. The sale zoned L-2 multi-family sold for \$17.86 a square foot (9-01 sale date). The sale zoned L-4 multi-family sold for \$17.47 a square foot (2-01 sale date). Only one sale occurred in 2002. This sale zoned L-3 multi-family sold for \$15.94 a square foot (10-02 sale date). These sales support current assessed value. Land values in this neighborhood remain relatively unchanged except for some adjustments to improve equalization. The table below represents 2002, 2003 estimated land values and price per square foot of market sales in each zone.

AREA NEIGHBORHOOD	ZONING	2002 \$ PER SF VALUE	2003 \$ PER SF VALUE	SALES \$ PER SF
40-60	C-140	\$5-15	\$5-15	
40-60	C-165	\$8-20	\$8-20	
40-60	C-240	\$15	\$15	
40-60	C-265	\$10-20	\$10-20	
40-60	MR	\$19	\$19	
40-60	LTD	\$5	\$5	
40-60	NC-140	\$10-15	\$10-15	
40-60	NC-230	\$10-15	\$10-15	
40-60	NC-240	\$10-20	\$10-20	
40-60	NC-340	\$15-20	\$15-20	
40-60	NC-365	\$15-25	\$15-25	
40-60	L-1	\$5-7	\$5-7	
40-60	L-2	\$8-17	\$8-17	\$17.86
40-60	L-3	\$10-17	\$10-17	\$15.94
40-60	L-4	\$10-25	\$12-25	\$17.47
40-60	SF-5000	\$4-17	\$4-17	

Area 40-70: Southeast Lake Washington neighborhood

Sub area 70 boundaries are Lake Washington to the North and East, Graham Street to the South, 43rd Avenue South, 47th Avenue and 48th Avenue South to the West. There was insufficient market evidence to indicate a change in the land values in Area 40-70. Land values in these neighborhoods remain relatively unchanged except for some adjustments to improve equalization. The table below represents 2002, 2003 estimated land values and price per square foot of market sales in each zone.

AREA NEIGHBORHOOD	ZONING	2002 \$ PER SF VALUE	2003 \$ PER SF VALUE	SALES \$ PER SF
40-70	NC-130	\$9-34	\$9-34	
40-70	SF-5000/7200/9600	\$2-17	\$2-17	

Land Value Conclusions, Recommendations and Validation:

Land values were estimated based on the Sales Comparison approach. Sales were analyzed based on zoning, size, location and development potential. Changes were made based on recent land sales and to achieve equalization in neighborhoods in accordance with zoning, size and location. In the absence of sales in a neighborhood, sales in other similar neighborhoods were considered. Appraiser judgment prevails in all decisions regarding individual parcel valuation. The appraiser determines which available value estimate may be appropriate and may adjust for particular characteristics and conditions as they occur in the valuation area.

Ratio Analysis

The total land assessed value for the 2002 assessment year for area 40 excluding specialty parcels was \$473,440,844 and the total land assessment value for the 2003 assessment year excluding specialty parcels is \$475,714,600. Application of these recommended values for the 2003 assessment year (taxes payable in 2004) results in a change from the 2002 assessments of plus .48%.

Vacant Frozen Sales Calculation for Area 36 with Sales Used

Area	Nbhd	Major	Minor	Land Area	E #	Sale Price	Sale Date	SP / Ld. Area	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
040	010	000760	0206	3.696	1820113	\$120,000	05/25/01	\$32.47	VACANT LAND	L3	1	2	Yesler Way-major arterial street
040	010	331950	2145	9.968	1851737	\$248,000	11/02/01	\$24.88	VACANT LAND	L3	2	2	Includes Parcel# 331950-2150
040	010	713280	0056	3.370	1928938	\$84,500	10/11/02	\$25.07	VACANT LAND	IC65	1	2	
040	020	765860	0175	4.030	1874838	\$60,000	03/20/02	\$14.89	VACANT LAND	L2	1	2	23rd Avenue South-major arterial street
040	050	149830	2650	10.684	1735477	\$250,000	01/31/00	\$23.40	VACANT LAND	C165	1	2	
040	060	148040	0040	20.371	1812803	\$380,000	04/17/01	\$18.65	VACANT LAND	C265	3	2	Rainier Ave So-major arterial street -includes minor# 0051.0066
040	060	266050	0265	10.819	1804869	\$189,000	02/22/01	\$17.47	VACANT LAND	L4	1	2	MLK Way South-major arterial street
040	060	941840	0065	6.837	1920049	\$108,952	10/30/02	\$15.94	VACANT LAND	L3	1	2	
040	060	983520	0190	35.277	1842268	\$630,000	09/19/01	\$17.86	VACANT LAND	L2RC	1	2	

Improved Parcel Total Values:

Sales comparison approach model description:

There are 21 improved sales in area 40 that were considered fair market transactions. All sales were verified with a knowledgeable party when possible. Each sale was inspected and the recorded property characteristics adjusted when necessary. The resulting data was stratified according to predominant use, location, age and size in order to establish appropriate ranges of price per square foot of net rentable area to use as guidelines.

Regression

Regression was not used in the revalue of the commercial properties in this area. See report on apartments and condominiums for use of regression models.

Cost approach model description

In those areas where a cost approach was done the Marshall & Swift Commercial Estimator was used. Depreciation was also based on studies done by Marshall & Swift Valuation Service. The cost was adjusted to the western region and the Seattle area. Cost estimates were relied upon in almost every instance of exempt properties including schools, churches, and public buildings, government buildings, and served also as value indicators for new construction projects.

Cost calibration

The Marshall & Swift Valuation modeling system, which is built in the Real Property Application, is calibrated to the region and the Seattle area.

Income capitalization approach model description

The Income Approach was considered the most reliable approach to valuation in Area 40. Income parameters were derived from the market place through sales listed, as well as through market surveys and available publications. Stratification of these parameters or the various property types indicates:

Area 40-10:

PROPERTY TYPE	RENT/SF	VACANCY	EXPENSE	OAR
Retail, Restaurant, Convenience Store, Daycare Center	\$9.00 to \$20.00	5% to 7%	10% to 15%	8.50% to 11.00%
Basement- (finished, display), Mezzanines, Balcony, Arcade, Cafeteria	\$3.00 to \$9.00	5% to 7%	10%	9.00% to 11.00%
Office Office Medical	\$9.00 to \$22.00	8% to 9%	20% to \$25	8.50% to 10.00%
Office Mezzanines Office Basement Office Warehouse	\$3.00 to \$9.00	5% to 7%	10%	9.00% to 11.00%
Industrial, Manufacturing, Storage Warehouse	\$2.00 to \$7.00	5% to 6%	10%	8.50% to 11.00%
Garage Service Repair	\$2.00 to \$15.00	5%	10%	9.00% to 10.00%
Apartment, Multiple Residence Low Rise,	\$5.00 to \$12.00	5%	20% to 25%	7.50% to 9.00%

Area 40-20:

PROPERTY TYPE	RENT/SF	VACANCY	EXPENSE	OAR
Retail, Restaurant, Convenience Store, Daycare Center	\$9.00 to \$20.00	5% to 7%	10% to 15%	8.50% to 11.00%
Basement- (finished, display), Mezzanines, Balcony, Arcade, Cafeteria	\$3.00 to \$9.00	5% to 7%	10%	9.00% to 11.00%
Office Office Medical	\$9.00 to \$22.00	8% to 9%	20% to \$25	8.50% to 10.00%
Office Mezzanines Office Basement Office Warehouse	\$3.00 to \$9.00	5% to 7%	10%	9.00% to 11.00%
Industrial, Manufacturing, Storage Warehouse	\$2.00 to \$7.00	5% to 6%	10%	8.50% to 11.00%
Garage Service Repair	\$2.00 to \$15.00	5%	10%	9.00% to 10.00%
Apartment, Multiple Residence Low Rise,	\$5.00 to \$12.00	5%	20% to 25%	7.50% to 9.00%

Area 40-30:

PROPERTY TYPE	RENT/SF	VACANCY	EXPENSE	OAR
Retail, Restaurant, Convenience Store, Daycare Center	\$9.00 to \$20.00	5% to 7%	10% to 15%	8.50% to 11.00%
Basement- (finished, display), Mezzanines, Balcony, Arcade, Cafeteria	\$3.00 to \$9.00	5% to 7%	10%	9.00% to 11.00%
Office Office Medical	\$9.00 to \$22.00	8% to 9%	20% to \$25	8.50% to 10.00%
Office Mezzanines Office Basement Office Warehouse	\$3.00 to \$9.00	5% to 7%	10%	9.00% to 11.00%
Industrial, Manufacturing, Storage Warehouse	\$2.00 to \$7.00	5% to 6%	10%	8.50% to 11.00%
Garage Service Repair	\$2.00 to \$15.00	5%	10%	9.00% to 10.00%
Apartment, Multiple Residence Low Rise,	\$5.00 to \$12.00	5%	20% to 25%	7.50% to 9.00%

Area 40-40:

PROPERTY TYPE	RENT/SF	VACANCY	EXPENSE	OAR
Retail, Restaurant, Convenience Store, Daycare Center	\$9.00 to \$20.00	5% to 7%	10% to 15%	8.50% to 11.00%
Basement- (finished, display), Mezzanines, Balcony, Arcade, Cafeteria	\$3.00 to \$9.00	5% to 7%	10%	9.00% to 11.00%
Office Office Medical	\$9.00 to \$22.00	8% to 9%	20% to \$25	8.50% to 10.00%
Office Mezzanines Office Basement Office Warehouse	\$3.00 to \$9.00	5% to 7%	10%	9.00% to 11.00%
Industrial, Manufacturing, Storage Warehouse	\$2.00 to \$7.00	5% to 6%	10%	8.50% to 11.00%
Garage Service Repair	\$2.00 to \$15.00	5%	10%	9.00% to 10.00%
Apartment, Multiple Residence Low Rise,	\$5.00 to \$12.00	5%	20% to 25%	7.50% to 9.00%

Area 40-50:

PROPERTY TYPE	RENT/SF	VACANCY	EXPENSE	OAR
Retail, Restaurant, Convenience Store, Daycare Center	\$9.00 to \$20.00	5% to 7%	10% to 15%	8.50% to 11.00%
Basement- (finished, display), Mezzanines, Balcony, Arcade, Cafeteria	\$3.00 to \$9.00	5% to 7%	10%	9.00% to 11.00%
Office Office Medical	\$9.00 to \$22.00	8% to 9%	20% to \$25	8.50% to 10.00%
Office Mezzanines Office Basement Office Warehouse	\$3.00 to \$9.00	5% to 7%	10%	9.00% to 11.00%
Industrial, Manufacturing, Storage Warehouse	\$2.00 to \$7.00	5% to 6%	10%	8.50% to 11.00%
Garage Service Repair	\$2.00 to \$15.00	5%	10%	9.00% to 10.00%
Apartment, Multiple Residence Low Rise,	\$5.00 to \$12.00	5%	20% to 25%	7.50% to 9.00%

Area 40-60:

PROPERTY TYPE	RENT/SF	VACANCY	EXPENSE	OAR
Retail, Restaurant, Convenience Store, Daycare Center	\$9.00 to \$20.00	5% to 7%	10% to 15%	8.50% to 11.00%
Basement- (finished, display), Mezzanines, Balcony, Arcade, Cafeteria	\$3.00 to \$9.00	5% to 7%	10%	9.00% to 11.00%
Office Office Medical	\$9.00 to \$22.00	8% to 9%	20% to \$25	8.50% to 10.00%
Office Mezzanines Office Basement Office Warehouse	\$3.00 to \$9.00	5% to 7%	10%	9.00% to 11.00%
Industrial, Manufacturing, Storage Warehouse	\$2.00 to \$7.00	5% to 6%	10%	8.50% to 11.00%
Garage Service Repair	\$2.00 to \$15.00	5%	10%	9.00% to 10.00%
Apartment, Multiple Residence Low Rise,	\$5.00 to \$12.00	5%	20% to 25%	7.50% to 9.00%

Area 40-70:

PROPERTY TYPE	RENT/SF	VACANCY	EXPENSE	OAR
Retail, Restaurant, Convenience Store, Daycare Center	\$9.00 to \$20.00	5% to 7%	10% to 15%	8.50% to 11.00%
Basement- (finished, display), Mezzanines, Balcony, Arcade, Cafeteria	\$3.00 to \$9.00	5% to 7%	10%	9.00% to 11.00%
Office Office Medical	\$9.00 to \$22.00	8% to 9%	20% to \$25	8.50% to 10.00%
Office Mezzanines Office Basement Office Warehouse	\$3.00 to \$9.00	5% to 7%	10%	9.00% to 11.00%
Industrial, Manufacturing, Storage Warehouse	\$2.00 to \$7.00	5% to 6%	10%	8.50% to 11.00%
Garage Service Repair	\$2.00 to \$15.00	5%	10%	9.00% to 10.00%
Apartment, Multiple Residence Low Rise,	\$5.00 to \$12.00	5%	20% to 25%	7.50% to 9.00%

See Assessor's Income Table Report for more detailed of economic rates and property type use.

Income approach calibration

The models were calibrated after setting base rents by using adjustments based on size, effective age, condition, quality of construction, and location.

Reconciliation and or validation study of calibrated value models including ratio study of hold out samples.

The income approach was considered the most reliable approach to valuation in Area 40. Income parameters were derived from the market place through sales listed as well as through market surveys.

All parcels were individually reviewed by the area appraiser for correctness of the model application before a final value was selected. Each appraiser can adjust any or all of the factors used to establish value by the model. The market rents as established by the income model were used as a guide in establishing the market rental rates used. The market rental rates applied vary somewhat but falls within an acceptable range of variation from the established guideline. The Senior Appraisers reviewed final value selects before posting.

Model Validation

Total Value Conclusions, Recommendations and Validation:

Appraiser judgment prevails in all decisions regarding individual parcel valuation. Each parcel is field reviewed and a value selected based on general and specific data pertaining to the parcel, the neighborhood, and the market. The Appraiser determines which available value estimate may be appropriate and may adjust of particular characteristics and conditions as they occur in the valuation area.

The standard statistical measures of valuation performance are presented both in the Executive Summary and the 2002 and 2003 Ratio Analysis charts included in this report. The 2003 Ratio Study Analysis indicates that the statistical measure of mean assessment level went from 90.2% to 98.9%. This is well within the IAAO appraisal guidelines, while those measures for uniformity, and equity are all well within IAAO guidelines also. The Coefficient of Dispersion (COD) went from 12.06% to 4.60%, the Coefficient of Variation (COV) went from 17.28% to 6.67% and the Price-related Differential (PRD) went from 1.03% to 1.01%.

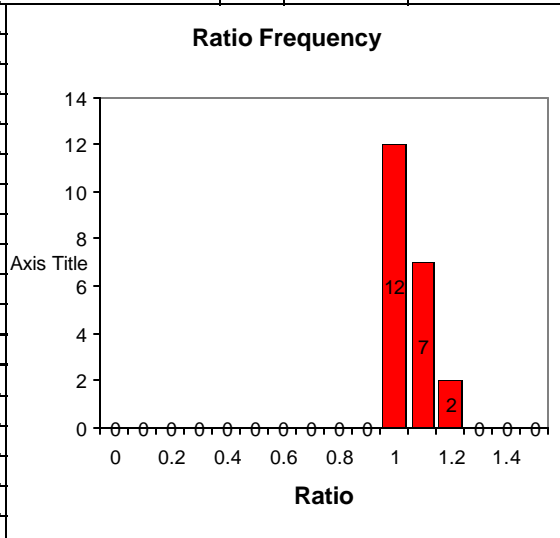
Application of these recommended values for the 2003 assessment year (taxes payable in 2004) results in an average total change from the 2002 assessments of + 2.03%. The total assessed value for the 2002 assessment year for the Area 40 was \$882,580,354 and the total recommended assessed value for the 2003 assessment year is \$900,491,460.

Note: More details and information regarding aspects of the valuations and the report are retained in the working files and folios kept in the appropriate district office.

Present Improvement Ratio Calculation for Area 36

Quadrant/Crew:	Lien Date:	Date:	Sales Dates:																		
Central Crew	1/1/2002	3/20/2003	1/3/00 - 12/19/02																		
Area	Appr ID:	Prop Type:	Trend used?: Y / N																		
40	JLAV	Improvement	N																		
SAMPLE STATISTICS																					
Sample size (n)	21	<div>Ratio Frequency</div> <table><thead><tr><th>Ratio</th><th>Frequency</th></tr></thead><tbody><tr><td>0.7</td><td>2</td></tr><tr><td>0.8</td><td>3</td></tr><tr><td>0.9</td><td>3</td></tr><tr><td>1.0</td><td>8</td></tr><tr><td>1.1</td><td>3</td></tr><tr><td>1.2</td><td>1</td></tr><tr><td>1.3</td><td>1</td></tr><tr><td>1.4</td><td>0</td></tr></tbody></table>		Ratio	Frequency	0.7	2	0.8	3	0.9	3	1.0	8	1.1	3	1.2	1	1.3	1	1.4	0
Ratio	Frequency																				
0.7	2																				
0.8	3																				
0.9	3																				
1.0	8																				
1.1	3																				
1.2	1																				
1.3	1																				
1.4	0																				
Mean Assessed Value	501,400																				
Mean Sales Price	555,600																				
Standard Deviation AV	423,802																				
Standard Deviation SP	449,010																				
ASSESSMENT LEVEL																					
Arithmetic mean ratio	0.925	<div>These figures reflect present assessment ratios against current improved sales in Area 40 before completion of 2003 land valuation.</div>																			
Median Ratio	0.960																				
Weighted Mean Ratio	0.902																				
UNIFORMITY																					
Lowest ratio	0.6103																				
Highest ratio:	1.2727																				
Coefficient of Dispersion	12.06%																				
Standard Deviation	0.1599																				
Coefficient of Variation	17.28%																				
Price-related Differential	1.03																				
RELIABILITY																					
95% Confidence: Median																					
Lower limit	0.856																				
Upper limit	0.985																				
95% Confidence: Mean																					
Lower limit	0.857																				
Upper limit	0.994																				
SAMPLE SIZE EVALUATION																					
N (population size)	793																				
B (acceptable error - in decimal)	0.05																				
S (estimated from this sample)	0.1599																				
Recommended minimum:	39																				
Actual sample size:	21																				
Conclusion:	Uh-oh																				
NORMALITY																					
Binomial Test																					
# ratios below mean:	8																				
# ratios above mean:	13																				
z:	0.872871561																				
Conclusion:	Normal*																				
*i.e., no evidence of non-normality																					

Future Improvement Ratio Calculation for Area 36

Quadrant/Crew:	Lien Date:	Date:	Sales Dates:	
Central Crew	1/1/2003	3/20/2003	1/3/00 - 12/19/02	
Area	Appr ID:	Prop Type:	Trend used?: Y / N	
40	JLAV	Improvement	N	
SAMPLE STATISTICS				
Sample size (n)	21	 <p>Ratio Frequency</p> <p>Axis Title</p> <p>Ratio</p> <p>These figures reflect future assessment ratios against current improved sales in Area 40 after completion of 2003 land valuation.</p>		
Mean Assessed Value	549,300			
Mean Sales Price	555,600			
Standard Deviation AV	439,163			
Standard Deviation SP	449,010			
ASSESSMENT LEVEL				
Arithmetic mean ratio	1.000			
Median Ratio	0.981			
Weighted Mean Ratio	0.989			
UNIFORMITY				
Lowest ratio	0.9270			
Highest ratio:	1.1655			
Coefficient of Dispersion	4.60%			
Standard Deviation	0.0667			
Coefficient of Variation	6.67%			
Price-related Differential	1.01			
RELIABILITY				
95% Confidence: Median				
Lower limit	0.952			
Upper limit	1.004			
95% Confidence: Mean				
Lower limit	0.971			
Upper limit	1.028			
SAMPLE SIZE EVALUATION				
N (population size)	793			
B (acceptable error - in decimal)	0.05			
S (estimated from this sample)	0.0667			
Recommended minimum:	7			
Actual sample size:	21			
Conclusion:	OK			
NORMALITY				
Binomial Test				
# ratios below mean:	12			
# ratios above mean:	9			
z:	0.43643578			
Conclusion:	Normal*			
*i.e., no evidence of non-normality				

Improvement Frozen Sales Calculation for Area 40 with Sales Used

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
040	010	713230	0445	4,000	1837418	\$656,250	08/02/01	\$164.06	RETAIL	IC65	1	2	
040	010	713380	0170	7,368	1898487	\$915,000	07/18/02	\$124.19	STORAGE WAREHOUSE/OFFICE BLD	IC65	3	2	
040	010	713430	0225	10,049	1741489	\$1,400,000	03/10/00	\$139.32	SINGLE TENANT INDUSTRIAL BLDG	IC65	4	2	
040	010	817010	0251	8,955	1929128	\$930,000	12/19/02	\$103.85	OFFICE/WAREHOUSE	NC365	1	2	
040	020	374050	0080	2,760	1875329	\$275,000	03/20/02	\$99.64	GROCERY STORE	NC240	1	2	
040	040	170840	0330	13,790	1765313	\$1,140,000	07/12/00	\$82.67	SEATTLE SUPER MARKET	NC240	1	2	
040	040	367740	0205	2,184	1903810	\$370,000	08/14/02	\$169.41	JANE'S MART	NC240	1	2	
040	050	149830	2560	4,026	1908434	\$305,000	08/29/02	\$75.76	STORAGE WAREHOUSE	CI65	1	2	
040	050	754830	0985	583	1861354	\$210,000	01/02/02	\$360.21	TERIYAKI HOUSE	C165	1	2	
040	060	170290	0680	9,360	1739160	\$500,000	02/17/00	\$53.42	OFFICE/LODGE	NC340	1	2	
040	060	170290	1070	2,636	1730806	\$150,000	01/03/00	\$56.90	RAINIER OFFICE SUPPLY CO.	NC340	1	2	
040	060	170490	0405	2,805	1766151	\$263,000	07/12/00	\$93.76	HART RADIO/TV & VIDEO STORE	NC365	1	2	
040	060	222404	9043	4,000	1756355	\$550,000	05/22/00	\$137.50	FREE STANDING RETAIL BLDG	NC365	2	2	
040	060	234130	0595	2,496	1735435	\$205,000	02/02/00	\$82.13	MIXED USE RES/RETAIL	CI-40	1	2	
040	060	333050	0260	448	1803865	\$98,000	02/27/01	\$218.75	TOP NAILS	NC365	1	2	
040	060	333050	1056	8,288	1876362	\$420,000	03/23/02	\$50.68	RETAIL STORE/ MULTI RES LOW RISE	NC240	1	2	
040	060	564960	0062	1,792	1731264	\$165,000	01/04/00	\$92.08	OFFICE/CLUB	C265	1	2	
040	060	787940	0100	2,159	1756933	\$305,000	05/26/00	\$141.27	HOCK'S GARAGE	C265	1	2	
040	060	795030	1645	2,280	1746140	\$185,000	03/29/00	\$81.14	OFFICE & APT	NC340	1	2	
040	060	811610	0015	20,250	1736203	\$1,700,000	02/14/00	\$83.95	COPELAND LUMBER	C165	1	2	
040	070	558320	0855	9,345	1898421	\$925,000	07/18/02	\$98.98	RETAIL	NC130	1	2	